

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0125-01
Bill No.: HJR 11
Subject: Constitutional Amendments: Judges
Type: #Corrected
Date: March 18, 2003
#Estimated Net Effect on General Revenue Funds in FY 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	\$0	#\$9768727)	(\$18,912,490)
Total Estimated Net Effect on General Revenue Fund	\$0	#\$9,768,727)	(\$18,912,490)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

The Joint Committee on Public Employee Retirement (JCPER) has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

State Courts Administrator officials stated that there are 186 associate court judges and 32 court commissioners who are paid at the rate of associate court judges. Circuit court judges are paid at the rate of \$108,000, \$12,000 more than associate court judges and the court commissioners. The six-month cost for the conversion of 218 judges and commissioners in FY 05 would be \$1,374,218 and the full year cost in FY 06 would be \$2,817,146 at the present rate of compensation. Additionally, each circuit court judge is authorized a court reporter (\$485.040). The cost of 186 additional court reporters who are currently paid a salary of \$48,660 would be \$4,754,477 for six months in FY 05 and \$9,746,679 in FY 06 at the current rate of pay.

Since judicial salaries are above the social security cap and there would be no change in health insurance costs, the cost of fringe benefits on judicial salaries will be limited to Medicare, long-term disability, and any incremental retirement costs. All fringe benefits and retirement costs, \$2,780,551 in FY 05 and \$5,700,130 in FY 06, would appear in appropriations for the Office of Administration.

ASSUMPTION (continued)

Additionally, the circuit court budget has a provision for paying temporary court reporters to replace those who are ill or otherwise unable to perform their duties temporarily. Presently, the appropriation for these reporters is \$100,000 per year (the approximate cost of two court reporters). With the additional court reporters, that appropriation would increase approximately 2 ½ times, or about \$128,750 in FY 05 and about \$265,225 in FY 06.

The proposal would also change the way the state is divided into judicial circuits, based partly on population. All one-and two-county circuits will remain as they are. Depending on how the circuits are configured, there could be anywhere from 65-80 circuits, 20 to 35 more than the current 45 circuits. Since each circuit would have a presiding judge and each presiding judge has a secretary, there could be significantly more presiding judges' secretaries who would have to be funded. At present, a presiding judge's secretary begins at \$26,460 plus fringe benefits. Assuming there would be at least 65 circuits, then a minimum of 20 more presiding judges' secretaries would be needed at a cost of \$277,995 in FY 05 and \$569,891 in FY 06.

Each new circuit would need about \$10,000 to \$20,000 in new equipment. Each circuit has one application server that runs the Judicial Information System (JIS) program, plus routers and software. The new equipment would be approximately \$200,000 to \$700,000. Assuming a minimum of 65 circuits, the one-time cost for application servers, routers and software would be \$309,000 at approximately \$15,000 per circuit. Officials do not know what the cost would be to implement and maintain the JIS system in these new circuits. Costs to migrate case and financial information to the new circuit application servers is unknown, but could be substantial.

Presently, the Central Transcribing Service in the Office of State Courts Administrator transcribes sound recordings for associate circuit court judges with 8.00 FTE assigned to this function. The transcribing service would gradually be eliminated at a cost avoidance of approximately \$30,513 in FY 05 and approximately \$189,765 in FY 06, including salaries, fringe benefits, and expense and equipment.

They would assume approximately \$3,183 in expenses for the Missouri Judicial Assignment Commission every two years.

Expense and equipment costs for the presiding judges' secretaries and for court reporters could include possible office space and related office expense per \$476.270. They are unable to accurately estimate the fiscal impact to local governments to implement this legislation since it is unknown whether local governments could provide additional office space for additional court staff.

ASSUMPTION (continued)

Secretary of State officials stated that advertisement costs for the proposal would be \$3,485 per column inch for three printings of the text of the proposal, the introduction, fiscal note summary, and affidavit. The proposal would be on the ballot for the November 2004 general election.

FISCAL IMPACT - State Government FY 2004 FY 2005 FY 2006

GENERAL REVENUE FUND

<u>Cost</u> to Secretary of State			
Newspaper Advertisements	\$0	(\$174,250)	\$0

<u>Cost</u> - Courts			
Personal Service (218 Salary Increase)	\$0	(\$1,374,218)	(\$2,817,146)
Fringe Benefits	\$0	(\$743,909)	(\$1,525,015)
Personal Service (206 FTE)	\$0	(\$5,032,472)	(\$10,316,570)
Fringe Benefits	\$0	(\$2,036,641)	(\$4,175,116)
Expense and Equipment	<u>\$0</u>	<u>(\$437,750)</u>	<u>(\$268,408)</u>
Total Costs - Courts	\$0	(\$9,624,990)	(\$19,102,255)

<u>Savings</u> - Courts			
Personal Service (8 FTE)	\$0	\$21,508	\$134,435
Fringe Benefits	\$0	\$8,704	\$54,406
Expense and Equipment	<u>\$0</u>	<u>\$300</u>	<u>\$926</u>
Total Savings - Courts	\$0	\$30,513	\$189,765

Net Effect - Courts	\$0	(\$9,594,477)	(\$18,912,490)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$9,768,727)</u>	<u>(\$18,912,490)</u>
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FISCAL IMPACT - Local Government FY 2004 FY 2005 FY 2006

POLITICAL SUBDIVISIONS

<u>Cost</u> - Counties			
Facilities for additional court employees	\$0	(Unknown)	(Unknown)

**ESTIMATED NET EFFECT ON
POLITICAL SUBDIVISIONS**

\$0

(Unknown)

(Unknown)

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

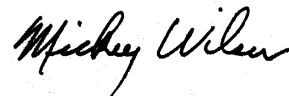
DESCRIPTION

This proposal would abolish the office of associate circuit judge and elevate those judges to circuit judges effective January 1, 2005. It would also establish the Missouri Judicial Assignment Commission to review and study the assignment of judges and allocation of judicial staff and resources across the state, and make recommendations to the General Assembly for the reduction, transfer, reallocation, or other changes in the number and assignment of circuit and associate circuit judges.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
State Courts Administrator
Secretary of State



Mickey Wilson, CPA
Director
March 18, 2003